

IOWA PLAN FOR HIGH COST FUND

The Federal Act

The 2004 amendments to the Individuals with Disabilities Education Act (IDEA 04) gives States an option to set aside funding (as prescribed in the act) for the creation of a Risk Pool to assist local school districts in addressing the special education costs of children with disabilities who have high needs.

The High Needs Risk Pool is established in Section 611(e)(3) of the 2004 amended act. The act allows a State to develop a State plan that establishes a definition of a high need child with a disability, the criteria for participation by school districts in this program, the funding mechanism for the distribution of funds under this program, and a distribution schedule.

The State Plan

I.) Purpose:

These funds will assist school districts in covering the instructional program costs of children with disabilities who meet the criteria established within IDEA 04 and this plan.

II.) Definition: High Need Child with a Disability:

- 1) A high needs child is one that has been identified as requiring special education, must have an IEP, and the special education needs of the child in diversity of services and/or intensity of services are in excess of the typical needs of a child with a disability.
- 2) The costs of providing the special education services for such a child present a significant impact on the financial resources of a school district. This impact could impair the district's ability to provide an educational program to all students in their district.
- 3) IDEA 04 sets **one** criteria for participation by a school district in the Risk Pool. IDEA stipulates that for a school district to participate in the program that **at a minimum** the cost of a high needs child must be greater than 3 times the average per pupil expenditure (as defined in section 9101 of the Elementary and Secondary Education Act of 1965) for each State.

III.) Additional criteria:

- 1) A school district will be eligible to be reimbursed only with the submission of a properly completed claim form (provided by the Department) and within the time frame established by the Department.
- 2) A school district can only be reimbursed for appropriate costs incurred. Appropriate costs are those associated with providing direct special education instructional services to a child as identified within such child's IEP. The costs eligible for reimbursement shall not include legal fees, court costs or other costs associated with a cause of action brought on behalf of a child with a disability to ensure a free appropriate public education for such a child.
- 3) A school district may be reimbursed for the costs that exceed **three times** the State's average per special education pupil expenditure as calculated annually by the Department using the most recent available data from the Special Education Supplement to the Certified Annual Report. Such reimbursement will be adjusted so a district's post reimbursement special education balance will not exceed the allowable 10% of the additional weighted special education dollars (above the 1.0).

- 4) A school district submitting a claim under this provision of IDEA shall be in a position to provide such other documentation that the Department may request to properly administer this program. Such documentation may include, but is not limited to, a copy of the contract(s) for service(s), attendant invoices and payment records, the child's IEP, payroll records, and invoices for instructional supplies and materials all associated specifically with the special education program provided to the high needs child.
- 5) If a high needs child is determined to be a Child in Foster Care such child's costs would **not** be covered under this program. The district will be responsible for filing a claim under the Child in Foster Care program
- 6) If a high needs child is determined to be a District Court child where the parental rights have been terminated such child's costs would **not** be covered under this program. The district will be responsible for filing a claim under the District Court program.
- 7) Disbursements from this fund shall not be used to pay the cost of services provided that **would be eligible under Medicaid, whether billed to Medicaid or not.*** Medicaid will reimburse the cost of certain IEP services for Medicaid enrolled students. These services include, but are not limited to: nursing, counseling, medication administration, nutrition counseling, associate (health and behavior related), and transportation and attendant services. The cost of these services shall not be included in the calculations of total cost nor included as a part of any claim under this program. A school district would need to seek Medicaid reimbursement for these services.

IV.) Timelines:

The timelines for this program are determined by the timetable for the Department's report to the School Budget Review Committee (SBRC). The SBRC requires fiscal information to consider allowable growth adjustment requests from school districts that report a final special education balance that is negative. Additionally the SBRC must annually review the weightings for special education funding and adjust said weightings as deemed necessary. The SBRC annually meets in early December to perform these functions.

- 1) The SEA provides the Plan to school districts and AEAs at the beginning of the school year. (September 2005) The plan contains the definitions, requirements, claim forms and key dates for the program.
- 2) The school district, with the assistance of the AEA, will determine if any resident child would meet criteria and make provision for the documentation of costs throughout the school year.
- 3) Claims are due along with the Special Education Supplement to the Certified Annual Report (SPEDCAR) on September 15, 2006.
- 4) The claims (from the 2005-06 school year) are audited and processed upon submission. Once approved by the Department, the claims shall be paid after the December meeting of the SBRC depending on the finalization of information from the SPEDCAR or audit findings.

V.) Post Annual LEA Audit.

Each school district and AEA is required to have a financial audit annually. If the final audit determines an overpayment was made to the school district related to this program, the school district must refund the overpayment to the Department.

If the final audit finds an underpayment, the school district may submit an additional claim for consideration.

VI.) Claims exceed funds available:

If claims submitted under this program exceed the funds available, the Department will prorate the amount paid to all school districts.

VII.) Information required on the claim for reimbursement:

1. District and child identifying information: Name, address, contact Child ID, disability (as determined by IEP team), description of special education instructional needs and the program provided by the district.
2. Detail of expenditures Certification/Claimant Affidavit (similar to Foster Care or District Court).

VIII.) Claim Forms:

Claim forms will be made available through the Area Education Agencies and the Iowa Department of Education's Website.

*** Medicaid Services Not Affected – Disbursements provided under this paragraph shall not be used to pay costs that otherwise would be reimbursed as medical assistance for a child with a disability under the State Medicaid Program under TitleXIX of the Social Security Act. Section 611(e)(3)(I)**